

SHIAWASSEE TOWNSHIP
SHIAWASSEE COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF SHIAWASSEE	County SHIAWASSEE
Audit Date 3/31/05	Opinion Date 9/21/05	Date Accountant Report Submitted to State: 9/28/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) DEMIS AND WENZLICK, P.C.			
Street Address 217 N WASHINGTON STREET, SUITE 201		City OWOSSO	State MI
Accountant Signature		ZIP 48867	Date 9/28/05

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DEMIS and WENZLICK, P.C.

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Township of Shiawassee
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of the Township of Shiawassee, Shiawassee County, Michigan, as of March 31, 2005. These general-purpose financial statements are the responsibility of the Township of Shiawassee. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Shiawassee, as of March 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Township of Shiawassee. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of September 21, 2005.

Davis and Wenzel, P.C.

Certified Public Accountants

Owosso, Michigan
September 21, 2005

TOWNSHIP OF SHIAWASSEE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2005

	<u>Government Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Account Groups</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long Term Debt</u>
Assets:						
Cash & Cash Equivalents	\$ 244,473	\$ 90,763	\$ 32,222	\$ 1,738	\$	\$
Cert. of Deposit		2,161				
Accrued Int. Rec.		9				
Delinq. Prop. Tax Rec.	9,969	8,115				
Due from Other Funds	3,326					
Due from Other Local Units		21,793				
Fixed Assets					816,261	
Amt. to be Provided for General Long Term Debt						17,060
Total Assets	<u>\$ 257,768</u>	<u>\$ 122,841</u>	<u>\$ 32,222</u>	<u>\$ 1,738</u>	<u>\$ 816,261</u>	<u>\$ 17,060</u>
Liabilities:						
Accounts Payable	\$ 997	\$ 857	\$	\$	\$	\$
Due to Other Funds		1,588		1,738		
Due to Other Taxing Ent.						
Long-Term Debt						17,060
Total Liabilities	\$ 997	\$ 2,445	\$ 0	\$ 1,738	\$ 0	\$ 17,060
Fund Equity:						
Investment in General Fixed Assets	\$	\$	\$	\$	\$ 816,261	\$
Fund Balance	<u>256,771</u>	<u>120,396</u>	<u>32,222</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Equity	<u>\$ 256,771</u>	<u>\$ 120,396</u>	<u>\$ 32,222</u>	<u>\$ 0</u>	<u>\$ 816,261</u>	<u>\$ 0</u>
Total Liabilities & Fund Equity	<u>\$ 257,768</u>	<u>\$ 122,841</u>	<u>\$ 32,222</u>	<u>\$ 1,738</u>	<u>\$ 816,261</u>	<u>\$ 17,060</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

GOVERNMENTAL FUND TYPES

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>
REVENUES:			
Taxes	\$ 55,911	\$ 55,072	\$
Fees and Permits	13,571		
Intergovernmental	160,107		
Charges for Services	1,063	32,913	
Memorial Fundraisers and Grants		2,934	
Interest Earned	2,846	1,321	269
Miscellaneous	150	358	
Sale of Fixed Assets		-0-	
TOTAL REVENUES	<u>\$233,648</u>	<u>\$ 92,598</u>	<u>\$ 269</u>
EXPENDITURES:			
Township Board	\$ 10,904	\$	\$
Supervisor	6,700		
Elections	3,771		
Clerk	13,958		
Board of Review	987		
Treasurer	13,192		
Township Hall	18,779		
Assessor	14,123		
Highways & Streets	103,813		
Drains at Large	1,500		
Insurance	15,445		
Library	400		
Fire Protection		58,773	
Cemetery Services		45,971	
TOTAL EXPENDITURES	<u>\$203,572</u>	<u>\$104,744</u>	<u>\$ -0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 30,076	\$(12,146)	\$ 269
Operating Transfers (Out) In	(19,737)	9,737	10,000
Fund Bal. April 1, 2004	<u>246,432</u>	<u>122,805</u>	<u>21,953</u>
FUND BAL. MARCH 31, 2005	<u>\$256,771</u>	<u>\$120,396</u>	<u>\$32,222</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE AND COMPARISON OF BUDGET TO ACTUAL
YEAR ENDED MARCH 31, 2005

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND		
REVENUES:	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET	BUDGET	ACTUAL	BUDGET
Property Taxes	\$ 56,000	\$ 55,911	\$ 89	\$ 51,231	\$ 55,072	\$ (3,841)	\$	\$	\$
Fees & Permits	0	13,571	(13,571)						
Intergovernmental	155,500	160,107	(4,607)						
Charges for Services	2,000	1,063	937	33,293	32,913	380			
Memorials, Fundraisers & Grants				5,000	2,934	2,066			
Interest Earned	1,000	2,846	(1,846)	600	1,321	(721)	0	269	(269)
Miscellaneous	400	150	250	1,397	358	1,039			
Sale of Fixed Assets				0	0	0			
TOTAL REVENUES	\$ 214,900	\$ 233,648	\$ (18,748)	\$ 91,521	\$ 92,598	\$ (1,077)	\$ 0	\$ 269	\$ (269)
EXPENDITURES:									
Township Board	\$ 26,525	\$ 10,904	\$ 15,621	\$	\$	\$	\$	\$	\$
Supervisor	6,700	6,700	0						
Elections	3,800	3,771	29						
Clerk	14,000	13,958	42						
Board of Review	1,000	987	13						
Treasurer	13,200	13,192	8						
Township Hall	25,100	18,779	6,321						
Assessor	15,000	14,123	877						
Highways & Streets	109,000	103,813	5,187						
Drains at Large	2,000	1,500	500						
Planning Commission	0	0	0						
Insurance	16,000	15,445	555						
Library	500	400	100						
Fire Department				75,351	58,773	16,578			
Cemetery Service				34,802	45,971	(11,169)			
TOTAL EXPENDITURES	\$ 232,825	\$ 203,572	\$ 29,253	\$ 110,153	\$ 104,744	\$ 5,409	\$ 0	\$ 0	\$ 0
REVENUES OVER (UNDER) EXPENDITURES	\$ (17,925)	\$ 30,076	\$ (48,001)	\$ (18,632)	\$ (12,146)	\$ (6,486)	\$ 0	\$ 269	\$ (269)
OTHER SOURCES (USES) OF FUNDS:									
Operating Transfers In	\$	\$	\$	\$ 20,000	\$ 19,737	\$ 263	\$ 0	\$ 10,000	\$ (10,000)
Operating Transfers Out	(35,000)	(19,737)	(15,263)	(10,000)	(10,000)	0			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (52,925)	10,339	\$ (63,264)	\$ (8,632)	(2,409)	\$ (6,223)	\$ 0	10,269	\$ (10,269)
Fund Balance 04/01/04		246,432			122,805			21,953	
Fund Balance 03/31/05		\$ 256,771			\$ 120,396			\$ 32,222	

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED MARCH 31, 2005

CURRENT TAX COLLECTION FUND

	BALANCE <u>3-31-04</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE <u>3-31-05</u>
ASSETS:				
Cash	\$ <u>1,869</u>	\$ <u>1,110,517</u>	\$ <u>1,110,648</u>	\$ <u>1,738</u>
LIABILITIES:				
Due to Other Funds	\$ 1,637	\$ 161,726	\$ 161,625	\$1,738
Accounts Payable				
Other Taxing Entities	<u>232</u>	<u>948,791</u>	<u>949,023</u>	<u>-0-</u>
	\$ <u>1,869</u>	\$ <u>1,110,517</u>	\$ <u>1,110,648</u>	\$ <u>1,738</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Township of Shiawassee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted with the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units that need to be addressed in defining the government's reporting entity.

B. FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

B. FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

C. BASIS OF ACCOUNTING (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

D. BUDGETS (CONTINUED)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting-under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

G. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

G. FIXED ASSETS (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, draining systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

H. GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is used to establish accounting control and accountability for the unmatured principal on the organization's long-term debt.

I. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have been presented in all statements because their inclusion would make certain statements unduly complex and difficult to read.

J. USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimated must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

NOTE 3. PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The Townships bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied on the extent that they result in current receivables.

The Township is permitted by the Municipal Finance Law of the State to levy taxes up to 1.0 mill for general governmental services. .8985 mill is levied for general services.

The delinquent real property taxes of the Township normally are purchased by the County of Shiawassee. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. These delinquent taxes have been recorded as revenue for the current year.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A schedule of changes in fixed assets is included in the individual financial statement section.

NOTE 5. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN
BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2005, the township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

<u>FUND</u>	<u>TOTAL APPROPRIATION</u>	<u>AMOUNT OF EXPENDITURE</u>	<u>BUDGET VARIANCE</u>
Cemetery Fund:			
Salaries	\$ 12,200	\$ 14,895	\$ 2,695
Repairs & Maintenance	4,005	4,176	171
Cemetery Perpetual Care Fund:			
Land Improvements	-0-	11,500	11,500
Perpetual Maintenance	-0-	372	372

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
- b. Certificates of deposit, savings account, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rates at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS 9(CONTINUED)

Deposits

As of March 31, 2005, the carrying amounts and the bank balances for each type of bank accounts are as follows:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Checking	\$107,495	\$ 77,520
Savings	291,676	291,676
Certificates of Deposit	<u>2,161</u>	<u>2,161</u>
	<u>\$401,332</u>	<u>\$371,357</u>

Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2005, the Township accounts were insured by the FDIC for \$202,161 and the amount of \$199,171 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increases significantly. As a result, the amount of the uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

NOTE 7 - PENSION

The township started a pension plan July 1, 1991, for all full-time employees. The township contributed \$2,828 during the year ended March 31, 2005. The pension consists of 6% withholding from the employees annual compensation, and a matching 6% from the township.

NOTE 8. INTERFUND ASSETS/LIABILITIES

DUE FROM/TO OTHER FUNDS:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Fire Fund	\$ 1,588
General Fund	Current Tax Collection	1,738

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE 9. LONG-TERM DEBT

The township purchased a new fire truck with a cost of \$210,615.61. Township paid a total of \$131,534.00 by the delivery date of the truck, with a balance due of \$79,081.61. The balance is to be paid in five annual payments of \$19,575.32. The loan is payable with interest at 9.19% per annum and is secured by the fire truck. First payment was March 2002.

<u>YEAR</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2006	<u>\$19,575</u>	<u>\$ 2,515</u>	<u>\$17,060</u>

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
ASSETS:		
Cash in Bank	\$244,473	\$236,340
Taxes Receivable	9,969	7,534
Accrued Interest Rec.	-0-	14
Due from Other Funds	<u>3,326</u>	<u>3,225</u>
TOTAL ASSETS	<u>\$257,768</u>	<u>\$247,113</u>
LIABILITIES:		
Accounts Payable	\$ <u>997</u>	\$ <u>681</u>
TOTAL LIABILITIES	\$ 997	\$ 681
GENERAL FUND BALANCE	<u>256,771</u>	<u>246,432</u>
TOTAL LIABILITIES AND GENERAL FUND BALANCE	<u>\$257,768</u>	<u>\$247,113</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND 2004

GENERAL FUND

	<u>2005</u>		ACTUAL (OVER) UNDER BUDGET	<u>2004</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUES:				
Taxes:				
Property Taxes	\$ 56,000	\$ 55,911	\$ 89	\$ 53,763
Interest on Taxes	-0-	1,141	(1,141)	594
Admin. Fee	-0-	12,430	(12,430)	11,429
State Shared Rev.	155,500	160,107	(4,607)	163,346
Charges for Services:				
Cable Franchise	2,000	1,063	937	1,099
Interest Income	1,000	2,846	(1,846)	1,348
Miscellaneous	<u>400</u>	<u>150</u>	<u>250</u>	<u>-0-</u>
TOTAL REVENUES	\$214,900	\$233,648	\$ (18,748)	\$231,579
EXPENDITURES:				
Twp. Board:				
Salaries	\$	\$ 3,642	\$	\$ 3,642
Dues & Misc.		1,204		1,132
Audit & Legal		2,966		2,350
Publishing		427		156
Payroll Taxes		509		459
Pension		<u>2,156</u>		<u>2,006</u>
TOTAL TWP. BOARD	\$ 26,525	\$ 10,904	\$ 15,621	\$ 9,745
Supervisor:				
Salaries	\$	\$ <u>6,700</u>	\$	\$ <u>6,700</u>
TOTAL SUPERVISOR	\$ 6,700	\$ 6,700	\$ -0-	\$ 6,700
Clerk:				
Salaries	\$	\$ 11,765	\$	\$ 9,242
Office Supplies		<u>2,193</u>		<u>1,268</u>
TOTAL CLERK	\$ 14,000	\$ 13,958	\$ 42	\$ 10,510

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND 2004

GENERAL FUND

	<u>2005</u>		<u>2004</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
Board of Review:				
Salaries	\$	\$ 791	\$	\$ 903
Supplies		196		25
TOTAL BOARD OF REVIEW	\$ 1,000	\$ 987	\$ 13	\$ 928
Treasurer:				
Salaries	\$	\$ 7,868	\$	\$ 7,779
Capital Outlay		1,263		-0-
Office Supplies		1,730		999
Tax Roll Prep		2,331		2,209
TOTAL TREASURER	\$ 13,200	\$ 13,192	\$ 8	\$ 10,987
Assessor:				
Salaries	\$	\$ 12,000	\$	\$ 11,844
Supplies		2,123		1,093
TOTAL ASSESSOR	\$ 15,000	\$ 14,123	\$ 877	\$ 12,937
Hall & Grounds:				
Salaries	\$	\$ 480	\$	\$ 457
Capital Outlay		7,500		-0-
Utilities		4,147		4,624
Rep. & Maint.		2,158		3,021
Telephone		3,299		3,806
Office Supplies		1,195		471
TOTAL HALL & GROUNDS	\$ 25,100	\$ 18,779	\$ 6,321	\$ 12,379
Other Gen. Gov't:				
Insurance	\$ 16,000	\$ 15,445	\$ 555	\$ 13,804
Library	500	400	100	-0-
Planning Comm.	-0-	-0-	-0-	-0-
TOTAL OTHER GENERAL GOVERNMENT	\$ 16,500	\$ 15,845	\$ 655	\$ 13,804

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2005 AND 2004

GENERAL FUND

	<u>2005</u>		<u>2004</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
Election:				
Salaries	\$	\$ 753	\$	\$ -0-
Contract Labor		1,054		-0-
Capital Outlay		953		-0-
Supplies		916		-0-
Publishing		95		-0-
TOTAL ELECTION	\$ 3,800	\$ 3,771	\$ 29	\$ -0-
Drains	2,000	1,500	500	765
Roads	109,000	103,813	5,187	109,046
TOTAL EXPENDITURES	\$232,825	\$203,572	\$ 29,253	\$187,801
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(17,925)	\$ 30,076	\$(48,001)	\$ 43,778
Other Sources (Uses):				
Transfers In	\$	\$	\$	\$ -0-
Transfers Out	(35,000)	(19,737)	(15,263)	(14,124)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$(52,925)	\$ 10,339	\$(63,264)	\$ 29,654
Fund Balance April 1, 2004		246,432		216,778
FUND BALANCE MARCH 31, 2005		\$256,771		\$246,432

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS

FIRE FUND

Fire Fund is used to account for fees received and monies disbursed for Township fire protection.

CEMETERY FUND

To account for lot sales and interest earned for the purpose of maintaining the Township's cemetery.

CEMETERY PERPETUAL CARE FUND

Cemetery Fund is used to account for monies received and disbursed for maintenance of the Township's cemetery.

TOWNSHIP OF SHIAWASSEE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005 AND 2004

	<u>2005</u>			<u>2004</u>	
	<u>FIRE</u>	<u>CEMETERY</u>	<u>CEMETERY PERPETUAL CARE</u>	<u>COMBINED</u>	<u>COMBINED</u>
ASSETS:					
Cash in					
Bank	\$ 75,014	\$ 889	\$14,860	\$ 90,763	\$ 94,438
Cert. of					
Deposit			2,161	2,161	2,137
Interest Rec.			9	9	5
Taxes Rec.	8,115			8,115	6,080
Due from Other					
Funds					5
Due from Other					
Taxing Ent.	21,793			21,793	21,819
	<u>\$104,922</u>	<u>\$ 889</u>	<u>\$17,030</u>	<u>\$122,841</u>	<u>\$124,484</u>
LIABILITIES:					
Accts. Pay.	\$ 883	\$ (26)	\$	\$ 857	\$ 86
Due to Other					
Funds	1,588			1,588	1,593
	<u>\$ 2,471</u>	<u>\$ (26)</u>	<u>\$ -0-</u>	<u>\$ 2,445</u>	<u>\$ 1,679</u>
FUND BALANCE:					
Fund Bal.	\$102,451	\$ 915	\$17,030	\$120,396	\$122,805
	<u>\$104,922</u>	<u>\$ 889</u>	<u>\$17,030</u>	<u>\$122,841</u>	<u>\$124,484</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
SPECIAL REVENUE FUNDS
COMPARATIVE COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>			<u>2004</u>	
	<u>FIRE</u>	<u>CEMETERY</u>	<u>CEMETERY PERPETUAL CARE</u>	<u>COMBINED</u>	<u>COMBINED</u>
REVENUES:					
Prop. Taxes	\$ 55,072	\$	\$	\$ 55,072	\$ 51,921
Charges for					
Services	21,793	11,120		32,913	43,543
Memorials,					
Fundraisers					
and Grants	2,934			2,934	3,034
Int. & Div.					
Earned	1,045	32	244	1,321	815
Misc.	358			358	3,779
Sale of Fixed					
Assets	-0-				5,000
TOTAL REV.	\$ 81,202	\$ 11,152	\$ 244	\$ 92,598	\$108,092
EXPENDITURES:					
Fire Protect.					
Contracted					
Services	\$ 58,773	\$	\$	\$ 58,773	\$ 75,316
Cemetery					
Services		34,099	11,872	45,971	33,209
TOTAL EXP.	\$ 58,773	\$ 34,099	\$11,872	\$104,744	\$108,525
EXCESS OF REVENUES					
OVER (UNDER)					
EXPEND.	\$ 22,429	\$ (22,947)	\$ (11,628)	\$ (12,146)	\$ (433)
OTHER SOURCES (USES) OF FUNDS:					
Trans. In.	\$ -0-	\$ 19,737	\$ -0-	\$ 19,737	\$ 14,124
Trans. Out	(10,000)	-0-	-0-	(10,000)	(16,832)
EXCESS OF REVENUES					
OVER (UNDER)					
EXPENDITURES AND					
OTHER SOURCES					
(USES) OF					
FUNDS	\$ 12,429	\$ (3,210)	\$ (11,628)	\$ (2,409)	\$ (3,141)
Fund Balance					
April 1,	90,022	4,125	28,658	122,805	125,946
FUND BALANCE					
MARCH 31,	\$102,451	\$ 915	\$ 17,030	\$120,396	\$ 122,805

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND 2004

FIRE FUND

	<u>2005</u>	<u>2004</u>
ASSETS:		
Cash in Bank	\$ 75,014	\$ 63,868
Due from Antrim Township	21,793	21,819
Taxes Receivable	<u>8,115</u>	<u>6,080</u>
	<u>\$104,922</u>	<u>\$ 91,767</u>
LIABILITIES:		
Accounts Payable	\$ 883	\$ 152
Due to General Fund	1,588	1,588
Due to Cemetery Fund	<u>5</u>	<u>5</u>
	\$ 2,471	\$ 1,745
FIRE FUND BALANCE	<u>102,451</u>	<u>90,022</u>
TOTAL LIABILITIES AND FIRE FUND BALANCE	<u>\$104,922</u>	<u>\$ 91,767</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND 2004

FIRE FUND

	<u>2005</u>		<u>2004</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$ 51,231	\$ 55,072	\$ (3,841)	\$ 51,921
Charges for Services:				
Fire Run and Protection	23,318	21,793	1,525	29,568
Memorials, Fund-raisers & Grants	5,000	2,934	2,066	3,034
Interest Earned	575	1,045	(470)	476
Other	<u>647</u>	<u>358</u>	<u>289</u>	<u>3,029</u>
TOTAL REVENUES	\$ 80,771	\$ 81,202	\$ (431)	\$ 88,028
EXPENDITURES:				
Long-Term Debt Financing	\$ 17,198	\$ 17,197	\$ 1	\$ 17,407
Salaries	16,000	14,482	1,518	17,294
Training	1,600	1,590	10	964
Office Supplies	1,750	394	1,356	531
Operating Supplies	13,340	7,952	5,388	9,404
Gas and Oil	1,100	1,020	80	1,045
Telephone	700	691	9	682
Medical	74	-0-	74	37
Insurance	9,000	8,036	964	7,005
Interest	2,378	2,378	-0-	2,168
Payroll Taxes	3,000	1,108	1,892	1,323
Dues	2,265	255	2,010	365
Fire Prevention Program	600	493	107	559
Equipment	<u>6,346</u>	<u>3,177</u>	<u>3,169</u>	<u>16,532</u>
TOTAL EXPEND.	\$ 75,351	\$ 58,773	\$ 16,578	\$ 75,316
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 5,420	\$ 22,429	\$ (17,009)	\$ 12,712
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	\$	\$	\$	\$
Transfer Out	(10,000)	(10,000)		16,832
EXCESS OF REVENUES OVER (UNDER) EXPEND. AND OTHER SOURCES (USES) OF FUNDS	\$ (4,580)	\$ 12,429	\$ (17,009)	\$ (4,120)
Fund Balance April 1,		<u>90,022</u>		<u>94,142</u>
FUND BALANCE MARCH 31,		<u>\$102,451</u>		<u>\$ 90,022</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

CEMETERY FUND

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ 889	\$4,054
Due from Fire Funds	<u>5</u>	<u>5</u>
	<u>\$ 889</u>	<u>\$4,059</u>

FUND BALANCE

Liabilities:

Accounts Payable	\$ <u>(26)</u>	\$ <u>(66)</u>
	\$ (26)	\$ (66)

Fund Balance	<u>915</u>	<u>4,125</u>
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TOTAL LIABILITIES AND CEMETERY FUND BALANCE	<u>\$ 889</u>	<u>\$4,059</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND 2004

CEMETERY FUND				
<u>2005</u>			<u>2004</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Foundations	\$ 1,975	\$ 1,975	\$ -0-	\$ 1,815
Interment	4,000	4,985	(985)	8,935
Lot & Grave Sales	4,000	4,160	(160)	3,225
Land Rental	750	-0-	750	750
Interest Earned	25	32	(7)	10
Sale of Fixed Assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,000</u>
TOTAL REVENUES	\$ 10,750	\$11,152	\$ (402)	\$ 19,735
EXPENDITURES:				
Land Improvements	\$ 5,000	\$ 5,000	\$ -0-	\$ 1,200
Salaries	12,200	14,895	(2,695)	19,906
Payroll Taxes	1,975	216	1,759	302
Pension	1,570	672	898	743
Operating Supplies	651	471	180	122
Gas and Oil	525	524	1	332
Insurance	1,858	1,848	10	1,387
Utilities	125	100	25	89
Repairs & Maint.	4,005	4,176	(171)	2,912
Perpetual Maint.	913	518	395	536
Equipment	<u>5,980</u>	<u>5,679</u>	<u>301</u>	<u>5,680</u>
TOTAL EXPENDITURES	\$ 34,802	\$ 34,099	\$ 703	\$ 33,209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (24,052)	\$ (22,947)	\$ (1,105)	\$ (13,474)
OTHER SOURCES (USES) OF FUNDS:				
Transfer In	\$ <u>20,000</u>	\$ <u>19,737</u>	\$ <u>263</u>	\$ <u>14,124</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ <u>(4,052)</u>	\$ (3,210)	\$ <u>(842)</u>	\$ 650
Fund Balance April 1,		<u>4,125</u>		<u>3,475</u>
FUND BALANCE MARCH 31,		<u><u>915</u></u>		<u><u>4,125</u></u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND 2004

CEMETERY PERPETUAL CARE FUND

	<u>2005</u>	<u>2004</u>
ASSETS:		
Cash - Savings	\$14,860	\$26,516
Certificate of Deposit	2,161	2,137
Accrued Interest Receivable	<u>9</u>	<u>5</u>
TOTAL ASSETS	<u>\$17,030</u>	<u>\$28,658</u>
 CEMETERY PERPETUAL CARE FUND BALANCE	 <u>\$17,030</u>	 <u>\$28,658</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND 2004

CEMETERY PERPETUAL CARE FUND

	<u>2005</u>		ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>2004</u> <u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
REVENUES:				
Interest & Dividends	\$ _____	\$ <u>244</u>	\$ <u>(244)</u>	\$ <u>329</u>
TOTAL REVENUES	\$ _____	\$ <u>244</u>	\$ <u>(244)</u>	\$ <u>329</u>
EXPENDITURES:				
Land Improvements	\$ _____	\$ <u>11,500</u>	\$ <u>(11,500)</u>	\$ <u>-0-</u>
Perpetual Maintenance	\$ _____	<u>372</u>	<u>(372)</u>	<u>-0-</u>
TOTAL EXPENDITURES	\$ _____	\$ <u>11,872</u>	\$ <u>(11,872)</u>	\$ <u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>_____</u>	\$ <u>(11,628)</u>	\$ <u>(11,628)</u>	\$ <u>329</u>
Fund Balance April 1, 2004		<u>28,658</u>		<u>28,329</u>
FUND BALANCE MARCH 31, 2005		<u>\$17,030</u>		<u>\$28,658</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL PROJECTS FUND

Fire Equipment Fund

This fund is used to account for monies which have been set aside to replace fire equipment.

TOWNSHIP OF SHIAWASSEE
FIRE EQUIPMENT FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash Savings	<u>\$32,222</u>	<u>\$21,953</u>

FUND BALANCE

Fund Balance	<u>\$32,222</u>	<u>\$21,953</u>
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The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
FIRE EQUIPMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		ACTUAL (OVER) UNDER	<u>2004</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Interest Earned	\$ _____	\$ <u>269</u>	\$ <u>(269)</u>	\$ <u>121</u>
TOTAL REVENUES	\$ _____	\$ <u>269</u>	\$ <u>(269)</u>	\$ <u>121</u>
EXPENDITURES:				
Equipment Purchased	\$ _____	\$ _____	\$ _____	\$ _____
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$	\$ 269	\$ (269)	\$ 121
OTHER SOURCES (USES) OF FUNDS:				
Transfer In	\$ _____	\$10,000	\$ (10,000)	\$16,832
Transfer Out	_____	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ <u>_____</u>	10,269	\$ <u>(10,269)</u>	16,953
Fund Balance April 1, 2004		<u>21,953</u>		<u>5,000</u>
FUND BALANCE MARCH 31, 2005		<u>\$32,222</u>		<u>\$21,953</u>

The accompanying notes are an integral
part of the financial statements.

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, county and township general fund.

TOWNSHIP OF SHIAWASSEE
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ <u>1,738</u>	\$ <u>1,869</u>

LIABILITIES

Due to Other Funds	\$ 1,738	\$ 1,637
Due to Other Taxing Entities	<u>-0-</u>	<u>232</u>
	\$ <u>1,738</u>	\$ <u>1,869</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEAR ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
CASH RECEIPTS:		
2004 Roll Property Tax Collections For:		
Owosso School District	\$ 13,249	\$ 13,324
Corunna School District	95,771	94,412
Durand School District	165,459	167,410
Morrice School District	28,876	33,964
Shiawassee Twp.	134,512	121,552
Shiawassee County Current Property Taxes	<u>641,360</u>	<u>580,871</u>
	1,079,227	1,011,533
Other Receipts:		
Trailer Tax	\$ 3,141	\$ 3,348
Dog Licenses	960	120
Delinquent Taxes	14,712	19,832
Int. & Pen.	1,547	1,746
Admin. Fees	<u>10,930</u>	<u>9,992</u>
	31,290	35,038
TOTAL CASH RECEIPTS	\$1,110,517	\$1,046,571
Cash Disbursements:		
Current & Delinquent Property Tax Collections For:		
Owosso School District	\$ 13,249	\$ 13,324
Corunna School District	95,734	95,291
Durand School District	165,638	172,935
Morrice School District	28,914	33,964
Shiawassee Twp.	161,625	148,867
Shiawassee Co.	<u>645,488</u>	<u>588,316</u>
	1,110,648	1,052,697
EXCESS OF CASH RECEIPTS OVER		
(UNDER) CASH DISBURSEMENTS \$	(131)	\$ (6,126)
Cash Balances:		
Cash at March 31, 2004 & 2003	<u>1,869</u>	<u>7,995</u>
CASH BALANCE AT		
MARCH 31, 2005 AND 2004	\$ <u>1,738</u>	\$ <u>1,869</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets

TOWNSHIP OF SHIAWASSEE
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Land & Improvements	\$159,322	\$142,822
Building & Improvements	124,601	117,101
Vehicles	380,516	380,516
Machinery & Equipment	131,435	121,626
Office Equipment & Furniture	<u>20,387</u>	<u>19,124</u>
	<u>\$816,261</u>	<u>\$781,189</u>

FUND BALANCE

Investment in General		
Fixed Assets	<u>\$816,261</u>	<u>\$781,189</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
FIXED ASSET ACCOUNT GROUP
ANALYSIS OF CHANGE IN GENERAL FIXED ASSETS
MARCH 31, 2005

	<u>BALANCE</u> <u>3-31-04</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-05</u>
Land & Impr.	\$142,822	\$ 16,500	\$	\$159,322
Building & Impr.	117,101	7,500		124,601
Vehicles	380,516			380,516
Mach. & Equip.	121,626	9,809		131,435
Office Equip. & Furniture	<u>19,124</u>	<u>1,263</u>		<u>20,387</u>
	<u>\$781,189</u>	<u>\$ 35,072</u>	<u>\$ -0-</u>	<u>\$816,261</u>

The accompanying notes are an integral
part of the financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for the long-term lease
payable for a fire truck in the
Fire Fund.

TOWNSHIP OF SHIAWASSEE
GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Amount to be Provided for the Retirement of Lease	\$ <u>17,060</u>	\$ <u>34,257</u>

LIABILITIES

Lease Payable	\$ <u>17,060</u>	\$ <u>34,257</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
GENERAL LONG-TERM DEBT ACCOUNT GROUP
ANALYSIS OF CHANGE IN LONG-TERM DEBT
MARCH 31, 2005

	<u>BALANCE</u> <u>03-31-04</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>03-31-05</u>
Lease Payable -				
Fire Truck	\$ 34,257	\$ -0-	\$ 17,197	\$17,060
	<u>\$ 34,257</u>	<u>\$ -0-</u>	<u>\$ 17,197</u>	<u>\$17,060</u>

The accompanying notes are an integral
part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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September 21, 2005

Members of the Township Board
Township of Shiawassee
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Shiawassee for the year ended March 31, 2005.

As a result of our examination of the Township's financial statements, we make the following comments:

BUDGET

The Michigan Public Act 621, of 1978, includes compliance requirements in budgeting. Expenditures under this act cannot exceed the budget. Expenditures within the definition of accrual accounting includes any accounts payable at March 31. Expenditures also include any contractual work incurred during the current year, even if there is no obligation to pay for several years.

The total budgeted expenditures should not exceed the total budgeted revenues plus beginning fund balance.

Expenses should be reviewed prior to year end and the budget amended to include all expenses of the period, including transfers to other funds.

CASH DISBURSEMENTS

In the area of cash disbursements, the Township should retain all vendor invoices for each fund. When a check is written for a vendor invoice, the invoice should be cancelled by writing the date and check number of the invoice. We found several instances where there was no invoice or the invoice was not cancelled. The Township needs to make sure that these controls are applied consistently.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township in implementing these recommendations or any other Township business, please contact us.

Davis and Wengert, P.C.

Certified Public Accountants

Owosso, Michigan
September 21, 2005